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JOSEPH P. RUSSONIELLO (CASBN 44332)
United States Attorney

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Richard W. Wieking
Clerk, U.S. District Court
Northern District of California
San Jose

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA
SAN JOSE DIVISION

CR - 08 00682

**JW
PVT**

UNITED STATES OF AMERICA,

Plaintiff,

v.

CRISTINA L. WARTHEN,
nee Cristina L. Schultz,

Defendant.

No.

VIOLATION: 26 U.S.C. § 7201 – Tax
Evasion

SAN JOSE VENUE

INFORMATION

The United States Attorney charges:

Definitions and Parties

1. The Internal Revenue Service (“IRS”) is an agency of the United States within the Department of Treasury of the United States.

2. The Internal Revenue Code, which is codified at Title 26 of the United States Code, contains, among other things, the statutes and laws of the United States concerning the determination of tax liability. “Income tax” refers to the tax due the United States for personal or business income under the Internal Revenue Code.

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INFORMATION

1 3. At all times relevant to this Information, defendant Cristina L. Warthen, nee
2 Cristina L. Schultz ("Schultz") operated an escort business, in which she exchanged
3 sexual acts for money. The business was based in the Northern District of California.
4 Schultz advertised her services in interstate commerce, using the stage name "Brazil," and
5 traveled throughout the United States to service clients.

6 Manner and Means

7 4. During calendar 2003, Schultz maintained a website, "TouchofBrazil.net,"
8 on which she advertised her services, pricing, travel schedule, and information regarding
9 paid memberships to her website (on which she had posted erotic pictures of herself).
10 Among other cities, the defendant traveled to Dallas, Chicago, New York, Atlanta,
11 Miami, Washington, D.C., San Diego, Los Angeles, San Francisco, and San Jose to meet
12 with clients, with whom she engaged in sexual acts in return for money. Her customers
13 usually paid her in cash. Although the defendant possessed a law degree, she did not
14 have any other employment or significant source of earned income during 2003.

15 5. During calendar 2003, Schultz grossed approximately \$ 133,717 from
16 running her escort business. Her expenses, which included travel, hotel, car rentals, and
17 other incidental expenses were approximately \$ 51,920. The defendant's net income for
18 2003 was therefore approximately \$ 81,797. The total tax that would have been due to
19 the United States from defendant Schultz for 2003 is approximately \$ 25,424.

20 6. Schultz knew full well that she owed federal tax on that income. To avoid
21 paying it, she took affirmative steps to conceal her income, including the following:

22 a. Schultz opened a safe deposit box at a Bank of America branch in
23 Oakland, California on April 3, 2003, and on January 6, 2004 had \$36,260 in cash stored
24 there.

25 b. Schultz used the cash she received from customers to buy money
26 orders and cashier's checks from the Post Office, 7-11 stores, and banks. She structured
27 her purchases of money orders so as to avoid having the Post Office generate a report of
28 those transactions. Schultz used the money orders to pay personal expenses, including

1 rent, credit card bills, telephone and utility bills, and car payments.

2 c. Schultz also hid cash in other places, including her apartment and a
3 storage locker located in the garage of her apartment building, as well as over \$2000 in
4 cash hidden in one of her discarded law school textbooks.

5 COUNT ONE: (26 U.S.C. § 7201 – Tax Evasion)

6 7. Paragraphs 1 through 6 of this Information are incorporated as if fully set
7 forth here.

8 8. On or about and between approximately January 1, 2003 and August 16,
9 2004, in the Northern District of California, the defendant,

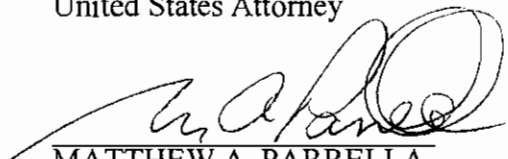
10 CRISTINA L. WARTHEN,
11 nee Cristina L. Schultz,

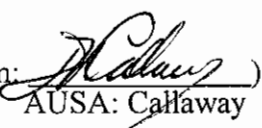
12 did willfully and affirmatively evade and defeat, and did attempt to evade and defeat, the
13 assessment and payment of federal income tax due and owing to the United States for
14 calendar year 2003.

15 All in violation of Title 26, United States Code, Section 7201.

16 DATED: 9/30/08

17 JOSEPH P. RUSSONIELLO
United States Attorney

18 
19 MATTHEW A. PARRELLA
20 Chief, San Jose Branch Office

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22 (Approved as to form: )

23 AUSA: Callaway
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